

2008 North Dakota Annual Report



Committed to the future of rural communities.

From the Desk of Clare A. Carlson,
State Director of USDA Rural Development in North Dakota:

Welcome to our Annual Report!

About the time you read this, I will be due to depart as State Director of USDA Rural Development in North Dakota, a position I will have been honored to hold for nearly eight years.

During that time, our mission at USDA Rural Development has come of age. When I first arrived in May 2001, I completed interviews with each employee to get their views and opinions. I noticed we were still mourning the loss of our farmer loan portfolio. There was still some doubt about our value, as an agency, going into the future and with that a concern that we could be eliminated. Now, while we still are concerned about having enough resources to do our jobs, there is no doubt that we have a valuable mission and a lot of support in rural North Dakota and rural America.

The most important thing I discovered while interviewing employees was that they liked that our programs helped people. That was a signal to me that our staff was motivated to make our mission successful.

In this period of time, we delivered over **\$2,155,516,847** in total dollars, which includes 585 business and community projects and 3,347 home loans and loan guarantees. As you can see, USDA Rural Development has made a considerable impact on rural North Dakota families and communities during the last eight years. As state director, I am proud of the accomplishments we have made together.

We have been through a lot of consistent incremental changes. We have implemented two restructuring plans, developed a brand identification program, more precise planning and goal setting, better internal and external communication, more proactive pursuit of projects, and creative implementation of our programs.

Thanks to each one of you, the employees of USDA Rural Development, for your part in the success of our agency since my arrival in 2001. I have always felt our success was possible because of you. I have been happy to offer encouragement, ask a key question, push innovation, and search for an answer to your questions.

This will be my last Annual Report as the State Director of USDA Rural Development in North Dakota.

I would like to thank our associates, as well as our federal, state, and local partners, along with their staffs, for their support and friendship over the past eight years.

Clare A. Carlson
State Director, North Dakota



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North Dakota 2008 Investments

Housing Investments

Single Family Direct Loans	\$ 4,618,591
Single Family Guaranteed Loans	\$ 27,309,249
Single Family EZ/REAP Loans and Grants	\$ 938,762
504 Loans and Grants	\$ 378,059
504 Repair Grants — Underserved (Roulette, Sioux, and Corson Counties)	\$ 113,460
Multi-Family Rental Assistance	\$ 1,951,146
Multi-Family Rural Rental Loans and Grants	\$ 2,235,895
Multi-Family Rural Rental Guaranteed Loans	\$ 450,000
Multi-Family Housing Preservations Grants	\$ 50,000
Multi-Family Housing Preservations Grants — EZ/EC/REAP	\$ 50,940
Total:	\$ 38,096,102

Families and Individuals Achieved HomeOwnership = 341

Utility Investments

Water and Waste Loans	\$ 10,685,000
Water and Waste Grants	\$ 3,749,320
Water and Waste Grants EZ/EC	\$ 1,995,000
Water and Waste Loans EZ/EC	\$ 3,005,000
Water and Waste Native American Grants	\$ 821,000
Rural Electricity	\$ 567,531,000
Telecom	\$ 17,901,000
Total:	\$ 605,687,320

Water & Waste Water Users Assisted = 11,707

Business Investments

Business and Industry Guaranteed Loans	\$ 18,980,560
Intermediary Relending Program	\$ 1,250,000
Rural Business Enterprise Grants	\$ 893,075
Rural Business Opportunity Grants	\$ 200,000
Rural Cooperative Development Grants	\$ 200,000
Renewable Energy/Energy Efficiency Loans and Grants	\$ 131,121
Rural Economic Development Loans and Grants	\$ 3,037,150
Small Minority Producer Grants	\$ 175,000
Value Added Producer Grants	\$ 200,000
Total:	\$ 25,066,906

Jobs Created = 356 Jobs Saved = 548 Businesses Assisted = 28

Community Investments

Community Facilities Direct Loans	\$ 2,166,870
Community Facilities Guaranteed Loans	\$ 6,308,110
Community Facilities Grants	\$ 128,200
Digital Television Grants	\$ 330,849
Tribal College Grants	\$ 272,350
Economic Impact Initiative Grants	\$ 108,000
Total:	\$ 9,314,379

Communities Served = 15

GRAND TOTAL: \$678,164,707

(Housing, Business, Utility, Community, Electric and Telecom)

Housing Programs – Equity/Security



... Increasing homeownership and affordable housing opportunities

USDA Rural Development is helping hundreds of rural North Dakotans achieve the dream of homeownership. Considered the "best deal in town," Rural Development's homeowner loan programs have helped 351 families purchase a home and 89 families improve their homes during 2008.

The Direct Homeownership Loan Program (Section 502) provided \$5.5 million in loans to North Dakota's lower income individuals and families. Serving rural persons whose incomes are below 80 percent of the median income, no down payment is required and interest rates are set by USDA Rural Development based on family income.

The Guaranteed Loan Program (Section 502) provided \$27.3 million in guaranteed housing loans to North Dakota's moderate income individuals and families, providing opportunities for both potential homeowners and lenders. Interest rates for guaranteed loans are negotiated between the lender and the borrower, with no down payment.

The Home Repair Loan and Grant Program (Section 504) provided \$550,674 through loans and grants to help very low-income rural families in North Dakota repair their homes. Grant eligibility is restricted to very low-income rural homeowners age 62 and older who cannot afford to borrow the full amount required for necessary repairs to remove health and safety hazards.

USDA Rural Development's multi-family housing loan and loan guarantee programs make it possible for families and the elderly to live in affordable rental housing in rural areas.

There are 2,992 multi-family rental units in 214 complexes in North Dakota financed by USDA Rural Development. Many of the tenants in these complexes are single heads of households, the elderly, or disabled.

The Repair and Rehabilitation Loans (Section 515) provided \$2.2 million to improve 17 units of housing in one multi-family

complex in North Dakota.

The Housing Preservation Grants (HPG) (Section 533) program provides qualified public agencies and private nonprofit organizations grant funds to assist very low- and low-income homeowners in repairing and rehabilitating their homes in rural areas. In 2008, grants were awarded to Red River Regional Council for \$50,000 and to the Turtle Mountain Band of Chippewa Indians for \$50,940.

The Rural Rental Housing Program enables very low-, low-, and moderate-income rural residents to have access to safe, decent, sanitary living.

The Rental Assistance Program (Section 521) provides reduced rents for low-income households in rental housing complexes financed by Rural Development.

During 2008, \$2 million in rental assistance was provided to assist 549 households pay rent living in Rural Development complexes.

Housing Programs

Single Family 502 Direct Loans	48 Loans	\$4,618,591
Single Family 502 Guaranteed Loans	293 Loans	\$27,309,249
Single Family 502 Direct EZ/REAP Loans and Grants	22 Loans	\$879,607
504 Repair Loans and Grants (Includes Underserved Counties)	28 Loans / 61 Grants	\$550,674
Multi-Family 521 Rental Assistance	549 Units	\$1,951,146
Multi-Family 515 Rural Rental Loans and Grants	17 Units	\$2,235,895
Multi-Family 538 Rural Rental Guaranteed Loans	1 Loan	\$450,000
Multi-Family 533 Housing Preservation Grants (Includes EZ/EC/REAP)	2 Grants	\$100,940

Total

\$38,096,102

Community Programs – Progress



... Improving the quality of life for rural residents

Community Facilities Programs, assisted through USDA Rural Development, provide financial assistance to nonprofit and cooperative associations, and to public bodies for essential community facilities such as health care, schools, libraries, child care, assisted living, police stations, fire stations, public buildings, and transportation.

The program offers direct loans, guaranteed loans and grants. Public bodies and nonprofit corporations are eligible to apply. Funds may be used to construct, enlarge or renovate public service facilities, to acquire land needed for a facility, to purchase equipment, or pay necessary professional fees.

Community Facilities Direct Program provides loans that develop essential community facilities in rural areas. Public entities such as municipalities, counties, and special purpose districts, as well as nonprofits and Tribal governments, are eligible. Funds may be used for health

care, fire and rescue, community centers, assisted living projects, day care centers, and other public purposes. These essential funds ensure people in rural areas have access to quality community services.

Community Facilities Guaranteed Loan Program provides a credit enhancement to help finance community health care, fire and rescue, community centers, assisted living projects, day care centers, and other public purposes in rural areas.

Community Facilities Grant Program provides technical and financial resources to public and nonprofit entities, special-purpose districts, as well as nonprofit corporations and Tribal Governments to construct, enlarge, or improve essential services like education, health care and first responder facilities, vehicles, and equipment. This can include the purchase of equipment required for a facility's operation. These programs serve unincorporated areas and

cities with a population less than 20,000.

Digital Television Transition Program enables public television stations in rural areas to replace current analog television broadcasting equipment with digital television broadcasting equipment as part of the national transition to digital television service.

Community Facilities Tribal College Grants provide special set-aside funds to assist Tribal Colleges in financing buildings and essential equipment for expanding college curriculum to institutions under the Equity in Education 1994 Land-Grant Act of 1994.

Community Facilities Economic Impact Initiative Grants provide the needed community facilities to communities with extreme unemployment greater than 19.5 percent, and severe economic depression.

Community Facilities Programs

Community Facilities Direct Loans	4 Loans	\$2,166,870
Community Facilities Guaranteed Loans	2 Loans	\$6,308,110
Community Facilities Grants	4 Grants	\$128,200
Digital Television Grants	1 Grant	\$330,849
Tribal College Grants	1 Grant	\$272,350
Economic Impact Initiative Grants	3 Grants	\$108,000

Total

\$9,314,379

Business Programs — Opportunity



... Creating jobs and strengthening the economy

Promoting a dynamic business environment in rural America is the goal of Rural Development's Business and Cooperative Programs. Business Programs work in partnership with the private sector and the community-based organizations to provide financial assistance and business planning. Recipients of these programs may include individuals, corporations, partnerships, cooperatives, public bodies, nonprofit corporations, Indian tribes, and private companies.

During 2008, 904 jobs were created and/or saved by \$25.1 million in business program funding assisting rural communities to achieve economic development.

Rural Business Opportunity Grants (RBOG) fund technical assistance, training and planning activities that improve economic conditions in rural areas.

Rural Business Enterprise Grants (RBEG) assist public bodies, nonprofits and Federally Recognized Tribal groups to finance and facilitate small and emerging businesses in rural areas.

Rural Economic Development Loans and Grants (REDLG) provide funding to electric and telephone cooperatives to enable the cooperatives to provide a loan to an existing small business for equipment and expansion.

Value-Added Producer Grants (VAPG) may be used for planning activities, working capital for marketing value-added agricultural products, and for farm-based renewable energy.

Rural Cooperative Development Grants (RCDG) improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.

Small Minority Producer Grants (SMPG) are used to provide technical assistance to small minority agriculture producers through Cooperatives or Associations of Cooperatives.

Business and Industry Guaranteed Loans (B&I) can guarantee up to 80 percent of a private lender's loan. Funds can be used for working capital, machinery and equipment, buildings, and real estate.

Rural Energy of America Program (REAP) (Section 9007) helps farmers, ranchers, and rural small businesses purchase renewable energy systems and make energy efficiency improvements.

Intermediary Relending Program (IRP) provides loans to qualified intermediaries, who in turn, lend money to small businesses.

Business Programs

Business and Industry Guaranteed Loans (B&I)	20 Loans	\$18,980,560
Intermediary Relending Program (IRP)	2 Loans	\$1,250,000
Rural Business Enterprise Grants (RBEG)	7 Grants	\$893,075
Rural Business Opportunity Grants (RBOG)	2 Grants	\$200,000
Rural Cooperative Development Grants (RCDG)	1 Grant	\$200,000
Rural Energy of America Program Loans and Grants (REAP)	1 Loan / 3 Grants	\$131,121
Rural Economic Development Loans and Grants (REDLG)	4 Loans / 4 Grants	\$3,037,150
Small Minority Producer Grants (SMPG)	1 Grant	\$175,000
Value Added Producer Grants (VAPG)	2 Grants	\$200,000

Total

\$25,066,906

Utility Programs – Value



... Helping communities meet infrastructure needs

Rural Development's Utility Programs serve a leading role in improving the quality of life in rural America through its Electrical, Telecom, and Water and Wastewater Loan and Grant Programs. Clean, safe, and affordable water is essential to the quality of life for all of the nation's rural residents. Rural Development's Utility Programs provide loans, grants, and loan guarantees in communities of 10,000 or less.

Water and Environmental Programs (WEP) provide clean safe drinking water and prevent groundwater contamination, two of the most essential public services needed in rural areas. USDA Rural Development provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in cities and towns of 10,000 population or less. Public bodies, nonprofit organizations and Indian Tribes may qualify for assistance.

Water & Waste Disposal Loan and Grant Program may be used to develop and improve

water, sewer, and storm drainage systems including solid waste disposal in rural areas. Utilities that qualify include public municipalities, counties, special-purpose districts, nonprofits, and Indian Tribes.

Empowerment Zone/ Empowerment Community (EZ/ EC) Water & Waste Loan and Grant Program provides targeted funds for use on water and waste projects located within the EZ/EC. These programs seek to improve the rural economy and to promote self-sustaining-long term economic and community development in rural areas.

Section 306C Water & Waste Grants / Native American Set-Aside funds are specifically intended to be used for eligible projects that benefit members of Indian Tribes. The set-aside is targeted to Tribes that are severely distressed economically, have high unemployment rates and have critical water-related human and environmental health problems. Funding is limited on a priority basis.

Electric Programs provide reliable, affordable electricity essential to the economic well-being and quality of life for all of the nation's rural residents. The Electric Programs provide leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure. Under the authority of the Rural Electrification Act of 1936, the Electric Programs make direct loans and loan guarantees to electric utilities to serve customers in rural areas.

Telecom Programs continue to provide many programs for financing rural America's telecommunications infrastructure. The Traditional Telephone Loan Program consists of hardship, cost of money, and guaranteed loans that finance voice telephone service. Since 1995, every telephone line this program has constructed has also been capable of providing broadband service using digital subscriber loop (DSL) technology.

Utilities Programs

Water & Waste Disposal Loans and Grants	11 Loans / 8 Grants	\$14,434,320
Empowerment Zone/Empowerment Community Water & Waste Programs	1 Loan / 1 Grant	\$5,000,000
Section 306C Water & Waste Grants Native American Set-Aside	1 Grant	\$821,000
Electric Programs	6 Loans	\$567,531,000
Telecom Programs	2 Loans	\$17,901,000

Total

\$605,687,320

Eight Years of Investments in North Dakota

Fiscal Years 2001-2009

Business Programs	\$215,321,356
Housing Programs	\$213,951,828
Utilities Programs	\$134,972,560
Electric Programs	\$1,274,050,000
Telecom Programs	\$317,221,103

Grand Total **\$2,155,516,847**

For more information on programs, contact your local
North Dakota Rural Development Office:

www.rurdev.usda.gov/nd

North Dakota State Office, Bismarck, N.D.	701-530-2037
Bismarck Office	701-250-3905
Devils Lake Office	701-662-8634
Dickinson Office	701-225-9168
Minot Office	701-852-1754
Valley City Office	701-845-5150
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